

IN THE UNITED STATES BANKRUPTCY COURT
FOR THE EASTERN DISTRICT OF VIRGINIA
RICHMOND DIVISION

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In re	: Chapter 11
	: :
CIRCUIT CITY STORES, INC., et al.,	: Case No. 08-35653
	: :
Debtors.	: Jointly Administered
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**OBJECTION OF GATEWAY CENTER PROPERTIES III, LLC
AND SMR GATEWAY III, LLC, AS TENANTS IN COMMON,
TO DEBTOR'S PROPOSED CURE AMOUNT**

Gateway Center Properties III, LLC and SMR Gateway III, LLC, as tenants in common ("Landlord"), by their attorneys, Greenberg Traurig, LLP, submit this objection to the cure amount (the "Cure Amount") set forth in the supplemental cure schedule filed March 4, 2009 (the "Supplemental Cure Schedule") by Circuit City Stores, Inc. (the "Debtor"). In support of its objection, Landlord states as follows:

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1. Bankruptcy Code Section 365(b)(1) requires that the Debtor fully cure all defaults under the Lease prior to assumption. As described herein, the Debtor has failed to do so by the terms of the Supplemental Cure Schedule.

2. On March 4, 2009, the Debtor filed the Supplemental Cure Schedule stating that Landlord is owed \$132,152.00 under the governing lease for property located at the shopping center known as Gateway Center in Brooklyn, New York, identified by the Debtor as Store 3663.

3. However, through and including March 13, 2009, Debtor owes rents under the Lease in the amount of \$367,353.42, inclusive of attorneys' fees, as shown on the Schedule annexed as Exhibit A.¹

4. Landlord reserves its rights to supplement or amend the cure amount asserted in this objection at any time and to assert administrative claims for additional charges. Without limitation, Landlord reserves its right to recover (a) attorneys' fees incurred from and after March 1, 2009 and (b) charges that have not been billed including year-end reconciliations and "true-ups". Landlord makes no representations with respect to the condition of the space and/or whether or not Debtor has fulfilled its obligations under the lease, such as maintaining the space or the fixtures and equipment that may be located therein. Landlord also reserves the right to oppose consideration of any potential purchaser on the ground of lack of adequate assurance of their ability to perform in the future under the lease terms.

WHEREFORE, Landlord respectfully requests that this Court fix the Cure Amount as \$367,353.42 together with such additional amounts that accrue through the date of assumption, compel the assumption by any assignee of the lease of liability for all accrued, but unbilled

¹ Landlord will provide back-up for the attorneys' fees and rents due upon request by the Debtor.

charges, adjustments and reconciliations and grant the Landlord any further relief this Court may deem proper and just.

Dated: March 12, 2009

CHRISTIAN & BARTON, LLP

By: /s/ Michael D. Mueller

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CERTIFICATE OF SERVICE

I hereby certify that on the ____ day of March, 2009, I caused a copy of the foregoing to be served by electronic means on the "2002" and "Core" lists and through the ECF system.

/s/ Michael D. Mueller

Michael D. Mueller

EXHIBIT A

Gateway Properties
Summary of Cure Amount

Amounts due in accordance with Lease (Circuit City Store # 3663)

	Nov-08	Dec-08	Jan-09	Feb-09	Mar-09	11/1/09 - 3/13/09
Base Rent	\$ 101,636.79	\$ 101,636.79	\$ 101,636.79	\$ 101,636.79	\$ 101,636.79	\$ 508,183.95
Additional Rent	\$ 12,291.76	\$ 12,291.76	\$ 12,291.76	\$ 12,291.76	\$ 12,291.76	\$ 61,458.80
Tenant Improvement Rent	\$ 9,107.71	\$ 9,107.71	\$ 9,107.71	\$ 9,107.71	\$ 9,107.71	\$ 45,538.55
CAM Recovery	\$ 9,116.01	\$ 9,116.01	\$ 9,169.38	\$ 9,169.38	\$ 9,169.38	\$ 45,740.16
Real Estate Taxes (Common Area)	-	-	\$ 43,746.02	-	-	\$ 43,746.02
Real Estate Taxes (Building)	-	-	\$ 18,898.34	-	-	\$ 18,898.34
Total per Lease	\$ 132,152.27	\$ 132,152.27	\$ 194,850.00	\$ 132,205.64	\$ 132,205.64	\$ 723,566.82

Additional landlord costs due

Legal Fees	\$ 7,569.50	\$ 7,738.12	\$ 16,091.13	\$ 12,588.12	\$ 6,805.00	\$ 50,791.87
Total additional costs	\$ 7,569.50	\$ 7,738.12	\$ 16,091.13	\$ 12,588.12	\$ 6,805.00	\$ 50,791.87

Amounts paid

Base Rent	\$ -	\$ (101,636.79)	\$ (101,636.79)	\$ (101,636.79)	\$ -	\$ (304,910.37)
Additional Rent	\$ -	\$ (12,291.76)	\$ (12,291.76)	\$ (12,291.76)	\$ -	\$ (36,875.28)
Tenant Improvement Rent	\$ -	\$ (9,107.71)	\$ (9,107.71)	\$ (9,107.71)	\$ -	\$ (27,323.13)
CAM Recovery	\$ -	\$ (9,116.01)	\$ (9,169.38)	\$ (9,169.38)	\$ -	\$ (27,454.77)
Real Estate Taxes (Common Area)	\$ -	\$ -	\$ (7,291.00)	\$ -	\$ -	\$ (7,291.00)
Real Estate Taxes (Building)	\$ -	\$ -	\$ (3,149.72)	\$ -	\$ -	\$ (3,149.72)
Legal Fees	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Total amounts paid	\$ -	\$ (132,152.27)	\$ (142,646.36)	\$ (132,205.64)	\$ -	\$ (407,004.27)

<u>Cure Amount</u>						
Total per Lease	\$ 132,152.27	\$ 132,152.27	\$ 194,850.00	\$ 132,205.64	\$ 132,205.64	\$ 723,566.82
Total additional costs	\$ 7,569.50	\$ 7,738.12	\$ 16,091.13	\$ 12,588.12	\$ 6,805.00	\$ 50,791.87
Total amounts paid	\$ -	\$ (132,152.27)	\$ (142,646.36)	\$ (132,205.64)	\$ -	\$ (407,004.27)
Total Cure	\$ 139,721.77	\$ 7,738.12	\$ 68,294.77	\$ 12,588.12	\$ 139,010.64	\$ 367,363.42